



## Press Release

### Sree Saravana Engineering Bhavani Private Limited

December 23, 2022

#### Ratings:

| Instrument / Facility            | Amount (Rs. Crore) | Ratings  | Rating Action  | <a href="#">Complexity Indicator</a> |
|----------------------------------|--------------------|--|--|--------------------------------------|
| Long Term Fund Based Facilities  | 5.00               | IVR BB; ISSUER NOT COOPERATING*<br><br>(IVR Double B; ISSUER NOT COOPERATING*) | Revised and moved to ISSUER NOT COOPERATING category | Simple                               |
| Short Term Fund Based Facilities | 35.00              | IVR A4; ISSUER NOT COOPERATING*<br><br>(IVR A Four; ISSUER NOT COOPERATING*)   | Revised and moved to ISSUER NOT COOPERATING category | Simple                               |
| <b>Total</b>                     | <b>40.00</b>       | <b>(Forty Lakh Only)</b>   |  |                                      |

\* Issuer not cooperating; Based on best available information

#### Details of Facilities are in Annexure 1

#### Detailed Rationale:

The rating is revised because of lack of adequate information regarding Sree Saravana Engineering Bhavani private limited, performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

#### Non-cooperation by Issuer:



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Infomerics has been regularly following up with the Company to provide the required data to monitor its assigned ratings to the bank facilities, vide mail communications dated Dec 02, 2022; Dec 12, 2022; Dec 16, 2022; Dec 19, 2022 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the Company's management has not submitted all the essential details/information for surveillance exercise.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the bank loan ratings aggregating to Rs. 40.00 Crore of Sree Saravana Engineering Bhavani Private limited shall be moved to 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB; ISSUER NOT CO-OPERATING / IVR A4; ISSUER NOT CO-OPERATING based on best available information.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Infrastructure companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

**About the Company:**

Sree Saravana Engineering Bhavani Pvt. Ltd. (SSEB) is based out of Erode, Tamil Nadu and was established in 1981 as a partnership Company (Sri Saravana Engineering Works) by Mr. P. Venkatachalam and his wife Mrs. V. Poongodi and was later converted into a private limited company in December 2010. The company is engaged in the business of EPC contracting working predominantly in Kerala, Karnataka and Tamil Nadu. Currently, the company provides expertise in construction field such as earth fill, rock fill and concrete Dams and Tunnels, and Engineering Procurement Construction (EPC) which includes Civil, Mechanical and Electrical works, Design, Manufacture, Supply, Erection, Testing and Commissioning of Hydro Mechanical & Electro Mechanical equipment such as Turbine, Generator, Governor, Excitation System, LCU Panel, Indoor Electrical Control Panels,



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Outdoor Substation and connected Electrical & Mechanical Works for Hydro Power Projects from 1 MW to 250 MW, etc. The processes and procedures carried out comply with the requirements of ISO 9001:2017. Also, the operations of the company are currently being looked after by Mr. P. Venkatachalam and Mrs. V. Poongodi

### Financials: Standalone

(Rs. Crore)

| For the year ended* / as on | 31-03-2020 | 31-03-2021  |
|-----------------------------|------------|-------------|
|                             | Audited    | Provisional |
| Total Operating Income      | 41.32      | 86.19       |
| EBITDA                      | 4.19       | 10.96       |
| PAT                         | 2.55       | 6.81        |
| Total Debt                  | 4.16       | 6.56        |
| Tangible Net Worth          | 30.79      | 37.59       |
| <b>Ratios</b>               |            |             |
| EBITDA Margin (%)           | 10.14      | 12.71       |
| PAT Margin (%)              | 6.00       | 7.78        |
| Overall Gearing Ratio (x)   | 0.14       | 0.17        |

\*Classification as per Infomerics` standards

**Status of non-cooperation with previous CRA:** Brickwork Ratings vide its press release dated 23<sup>rd</sup> Feb 2022 has continued to classify the ratings of the company under Issuer Not Cooperating category on account of non-submission of relevant information.

Care Ratings vide its press release dated 14<sup>th</sup> Dec 2021 has continued to classify the ratings of the company under Issuer Not Cooperating category on account of non-submission of relevant information.

**Any other information: Not Applicable**

### Rating History for last three years:

| Sr. No. | Name of Instrument/ Facilities | Current Ratings<br>(Year 2022-23) |                                   |        | Rating History for the past 3 years                           |  |   |
|---------|--------------------------------|-----------------------------------|-----------------------------------|--------|---|--|---|
|         |                                | Type                              | Amount outstanding<br>(Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2021-22<br>(October 06, 2021) | Date(s) & Rating(s) assigned in 2020-21<br>(Dated: July 08,2020) | Date(s) & Rating(s) assigned in 2019-20 |



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|    |                |            |              |  |  |                         |   |
|----|----------------|------------|--------------|--|--|-------------------------|---|
| 1. | Cash Credit    | Long Term  | 5.00         | IVR BB; ISSUER NOT COOPERATING*<br>(IVR Double B; ISSUER NOT COOPERATING*) | IVR BB+/ Positive<br>(IVR Double B Plus with Positive Outlook) | IVR BB+/ Stable Outlook | - |
| 2. | Bank Guarantee | Short Term | 35.00        | IVR A4; ISSUER NOT COOPERATING*<br>(IVR A Four; ISSUER NOT COOPERATING*)   | IVR A4+  | IVR A4+                 | - |
|    | <b>Total</b>   |            | <b>40.00</b> |  |  |                         |   |

*\* Issuer did not cooperate (INC); based on best available information.*



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### Name and Contact Details of the Rating Analyst:

|   |   |
|---|---|
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|---|---|

### About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the Company at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors



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### Annexure 1: Details of Facilities:

| Name of Facility                                | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook  |
|---|------------------|------------------|---------------|------------------------------|---|
| Long Term Fund Based Facility – Cash Credit     | --               | --               | --            | 5.00                         | IVR BB; ISSUER NOT COOPERATING* (IVR Double B; ISSUER NOT COOPERATING*) |
| Short Term Fund Based Facility – Bank Guarantee | --               | --               | --            | 35.00                        | IVR A4; ISSUER NOT COOPERATING* (IVR A Four; ISSUER NOT COOPERATING*)   |

*\* Issuer did not cooperate; based on best available information.*

**Annexure 2: List of companies considered for consolidated analysis:** Not Applicable

**Annexure 3: Facility wise lender details:** Not Available

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).